

H+H UK for Investors

10 September 2012

Mark Oliver MD H+H UK

build with ease



H+H UK

- Who we are
- What we do
- Performance vs. UK Housing
- Future Outlook



H+H UK Limited

■ Established 1949 – Celcon Limited

- Screeds for roof, floors and pipes

1966



■ First block factory 1959

- Grays (closed 1995)

1990



■ Other plants

- Rugeley (1966 - 1992)
- Westbury (1974 – mothballed 2008)
- Pollington (1978)
- Borough Green (1992)
- Pollington 2 (2002)

1999



2001



■ H+H Celcon Limited – 1999

2007



■ H+H UK Limited – 2008

2008



H+H UK Key Sites



Quality Aircrete



High Quality
Aircrete



From Variable Quality
Pulverised Fuel Ash (PFA)



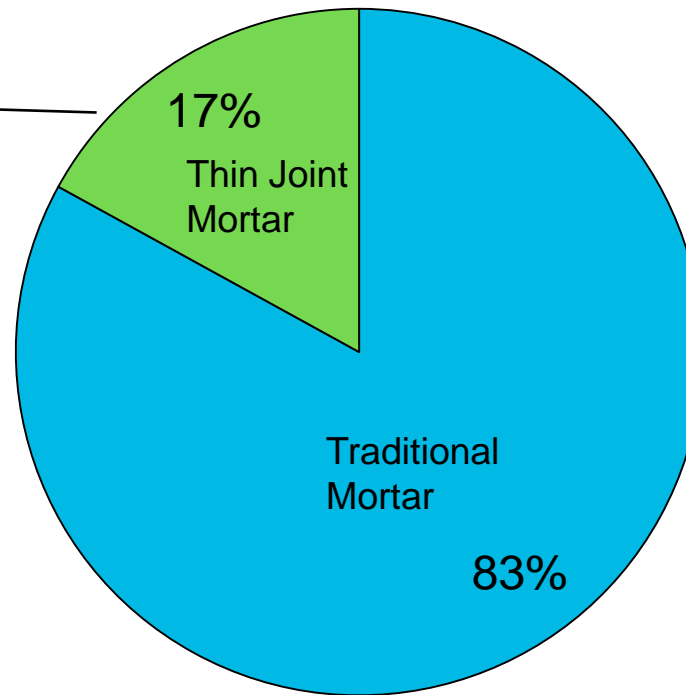
Celcon Blocks



New Products for Thin-Joint mainly used traditionally



New products introduced by H+H used correctly



Thin-Joint Block Sales

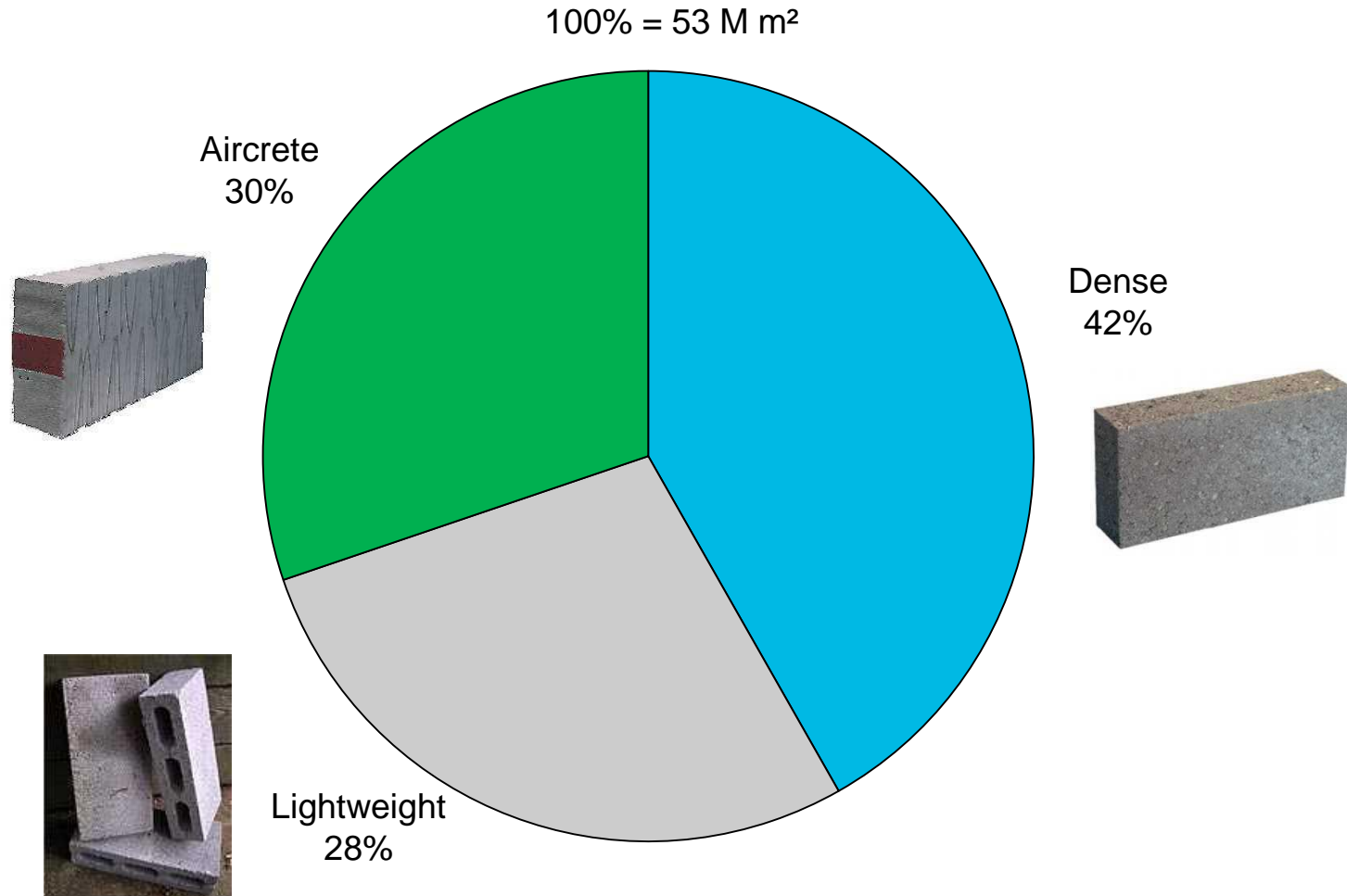


New products introduced by H+H used traditionally...

Source: H+H UK



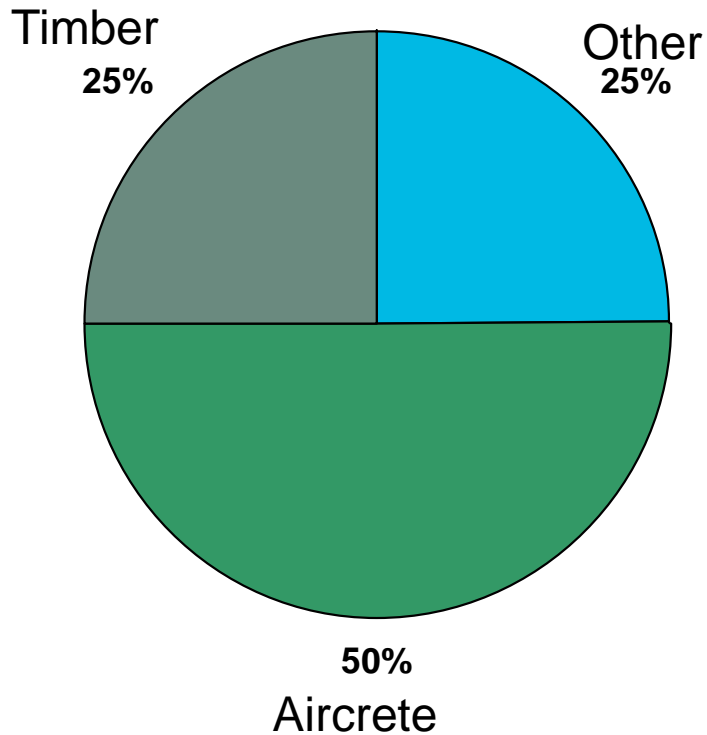
UK Concrete Block Market – 2011



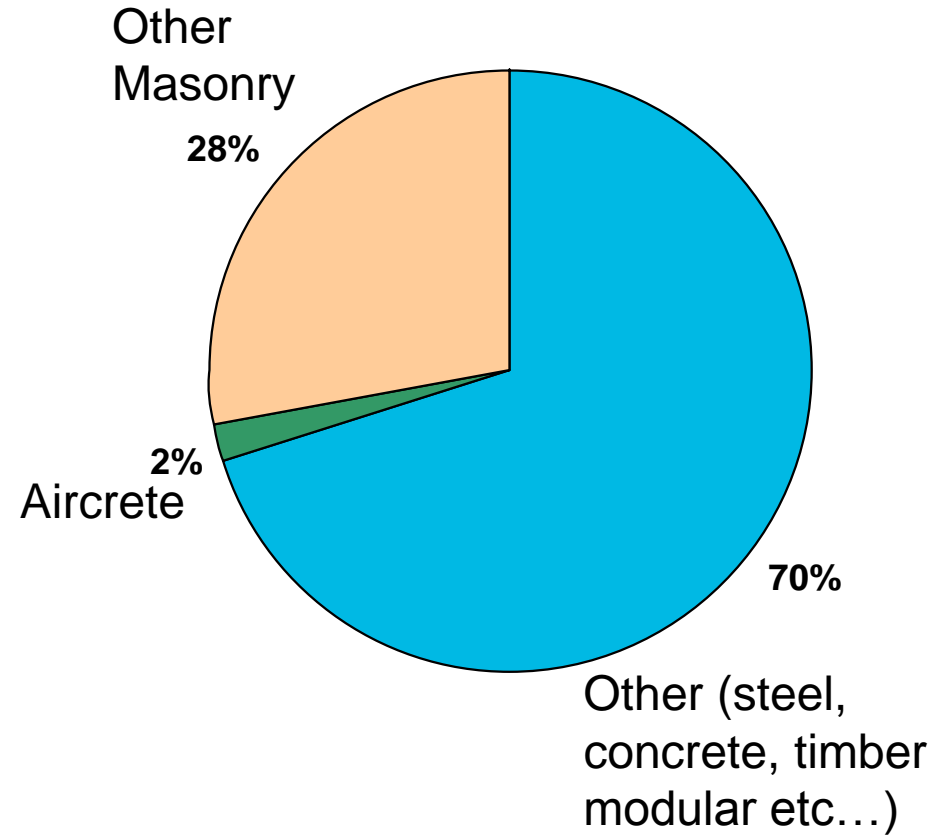
Source: BIS Monthly Statistics of Building Materials
<http://www.bis.gov.uk/policies/business-sectors/construction/construction-statistics/materials>

Wall Market

Housing (Cavity Wall)



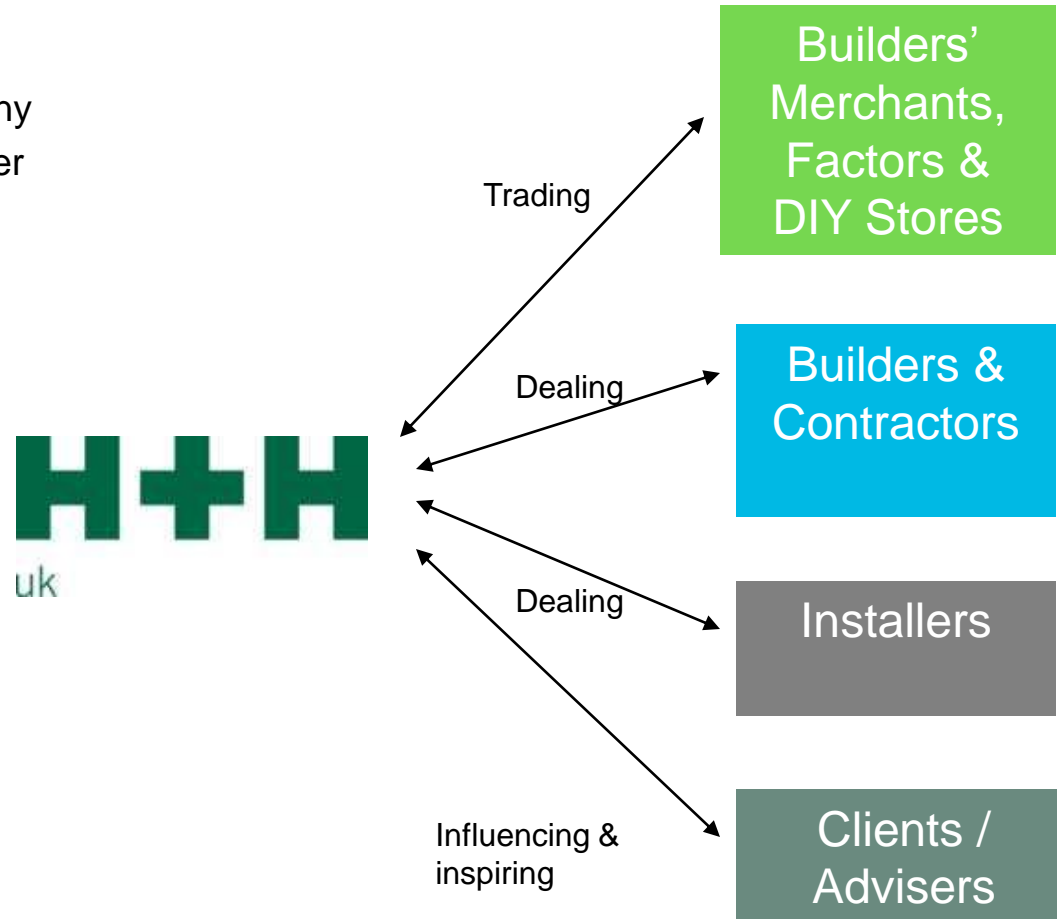
Non Housing



Source: APA, BIS and H+H UK Estimates

H+H – Business Model

- B2B company
- Market player



Customer Types

Construction
Projects



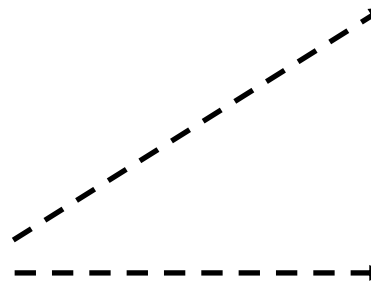
Social
Housing
Projects



Private
Housing
Projects



Builders
Merchant
Yard



Repair
Maintenance
Improvement

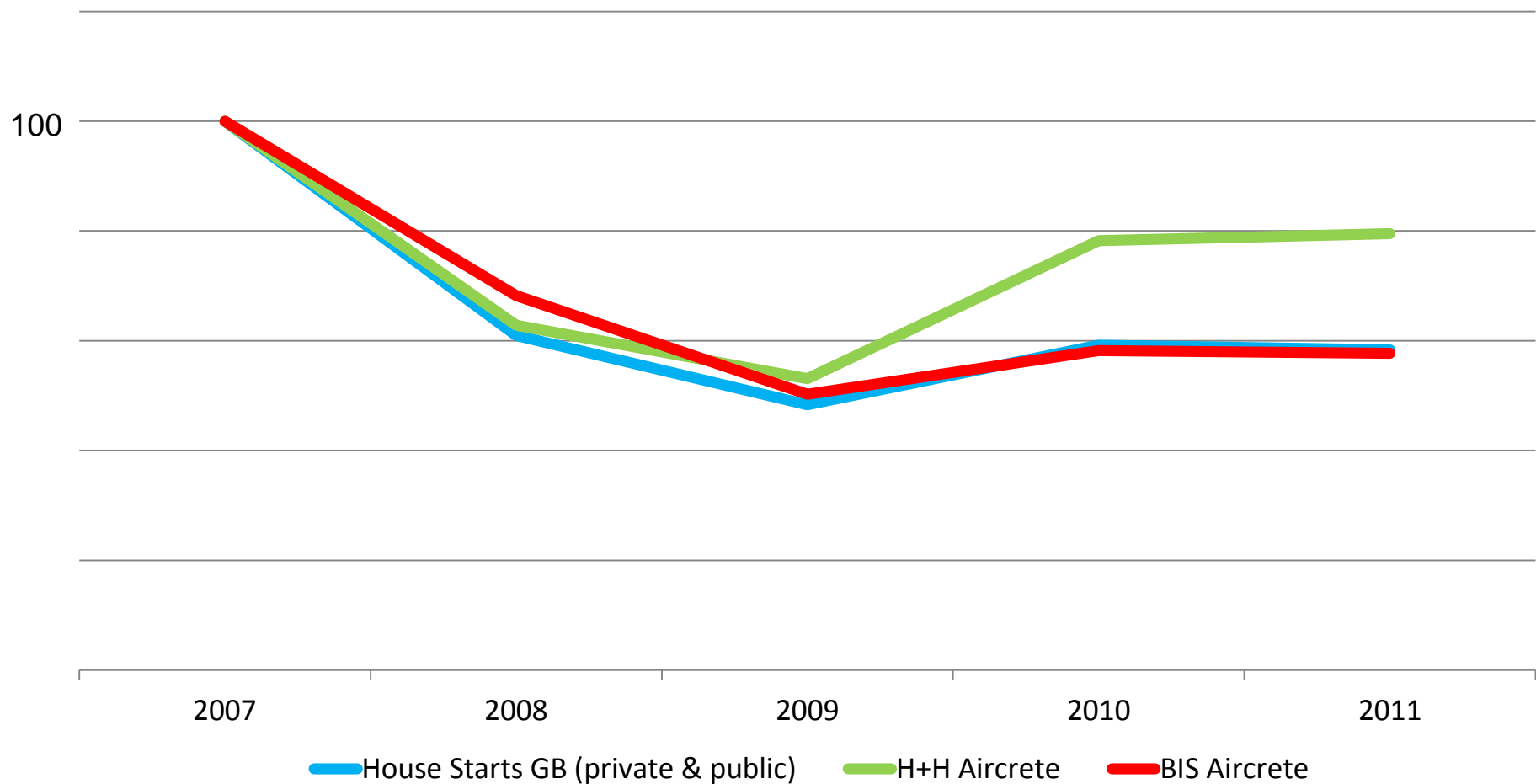


Source: H+H UK

H+H

Housing Starts, Aircrete Deliveries & H+H Sales

INDEX 2007 = 100

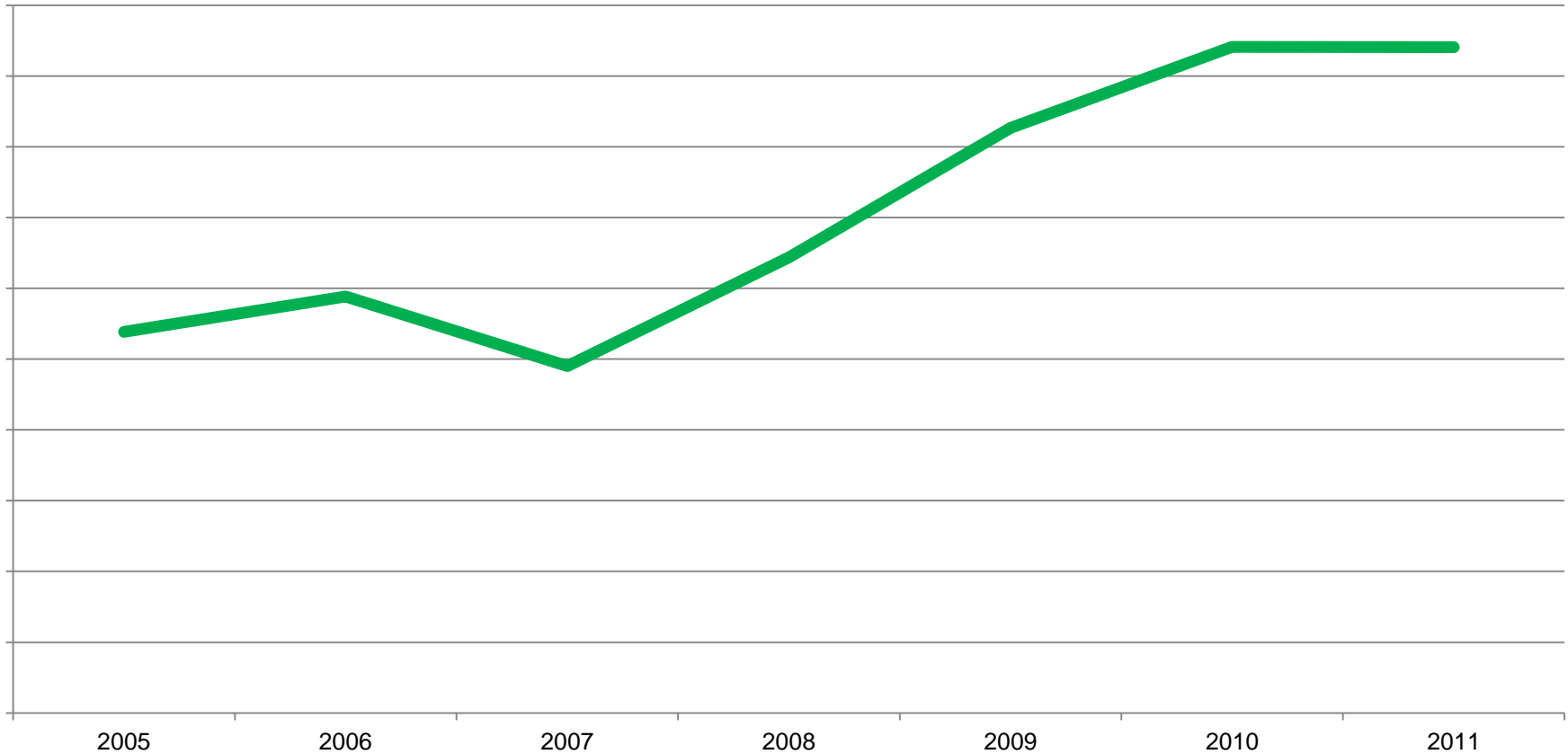


Source : CLG, CPA, H+H



H+H UK Performance vs House Building Market

H+H m3 / Dwelling

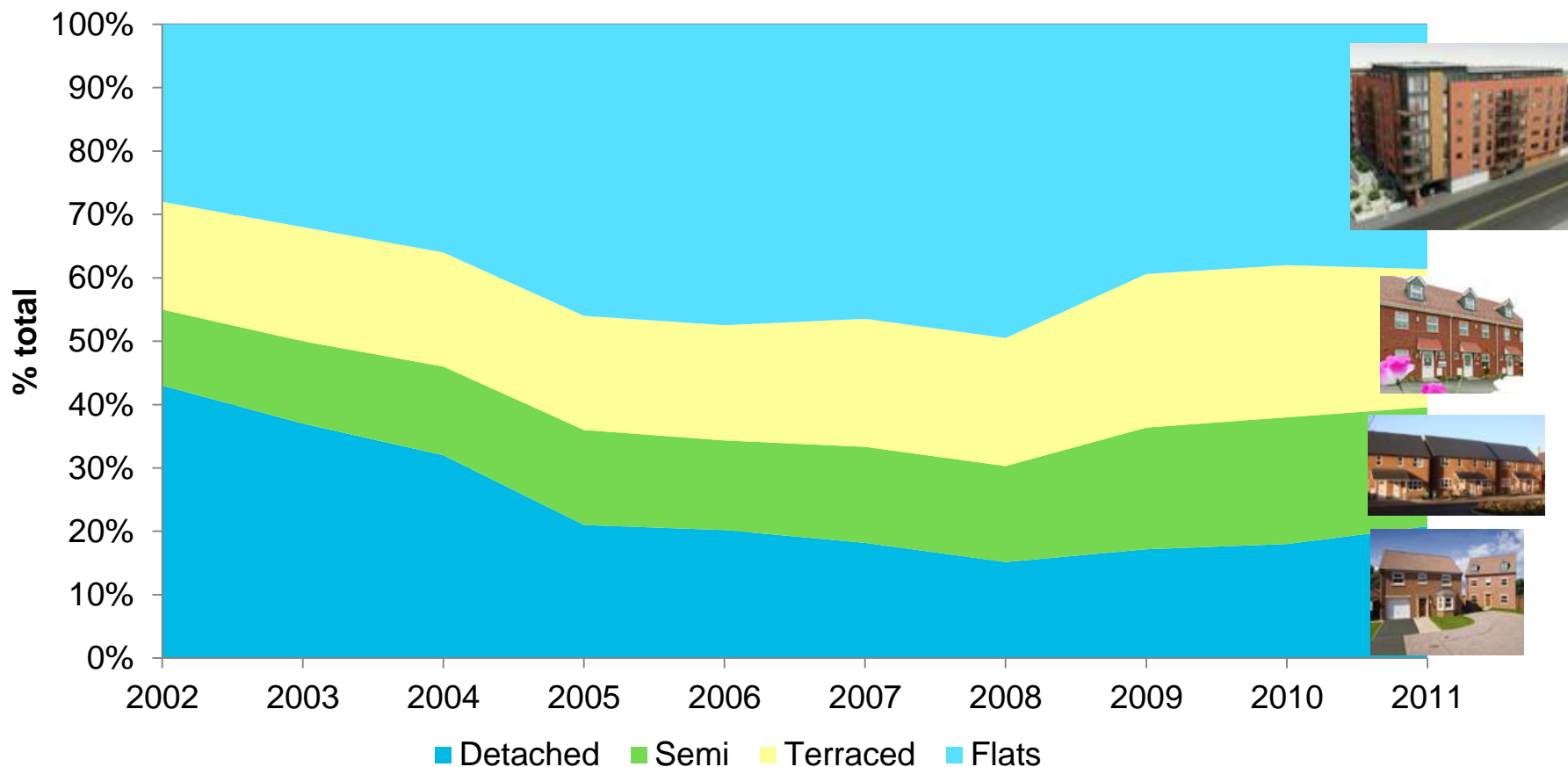


Source : CLG GB Starts (Public & Private), H+H



Proportion of Flats & Apartments has decreased...

UK Market by Dwelling Type

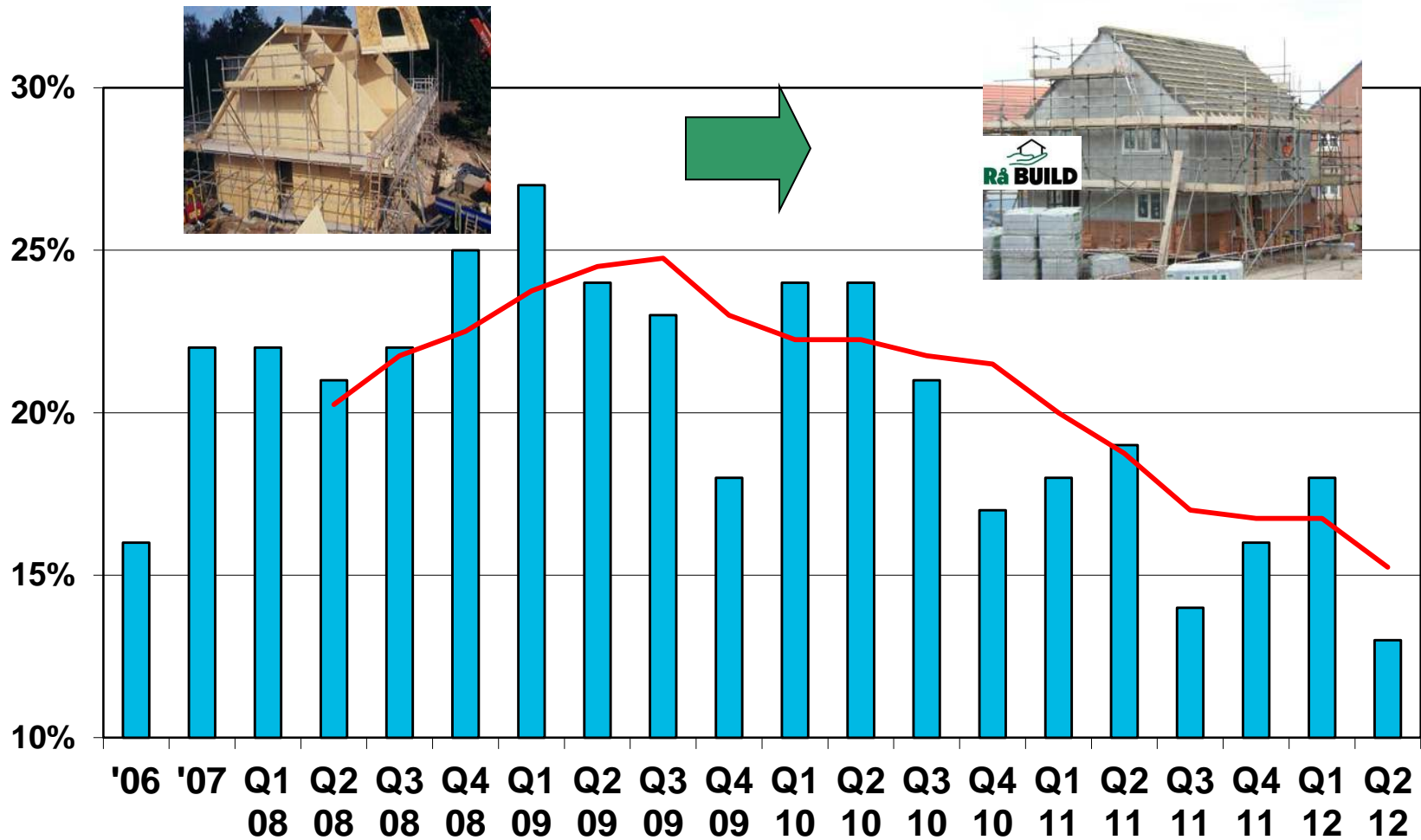


Source: NHBC

H+H

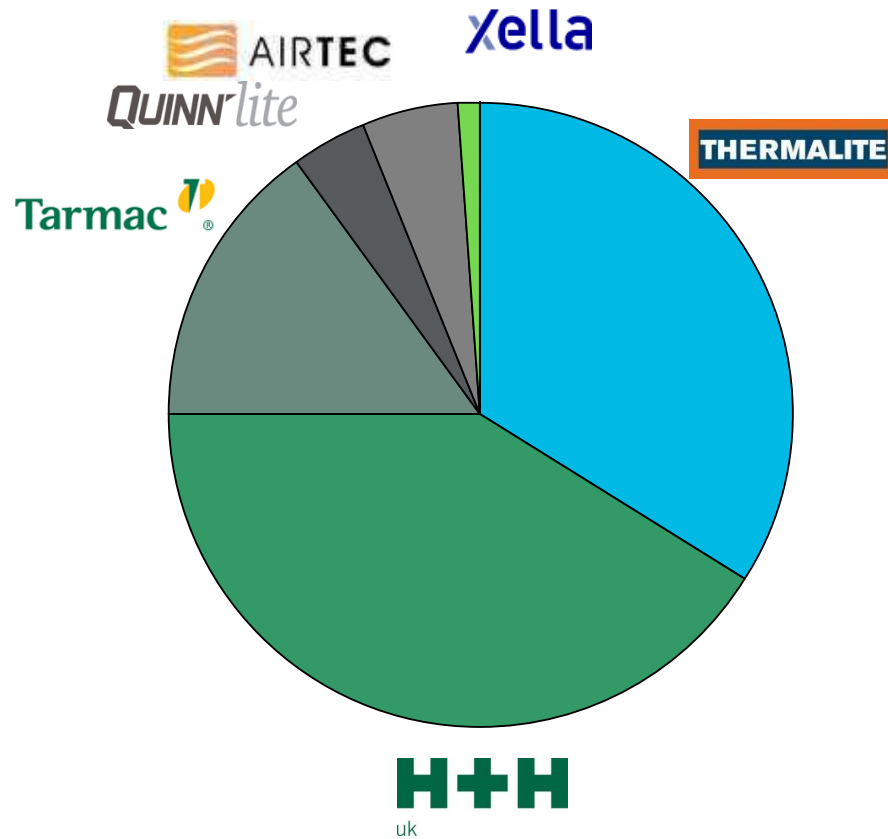
and Aircrete & other masonry taken share from timber-frame.

Market Share of Timber Frame in GB



Source: NHB Stats Table 20

Aircrete Market



Source: APA, BIS and H+H UK Estimates for 2011

Strong Brand & Recognised for Innovation



THE SUNDAY TIMES



BEST GREEN
COMPANIES
2008

THE SUNDAY TIMES



BEST GREEN
COMPANIES
2009

THE SUNDAY TIMES



BEST GREEN
COMPANIES
2010

H+H

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House Building Activity is the Key Driver for H+H Sales

- Increase Mortgage Finance (depends on the banks)
- Increase Affordability (further house price deflation or wage inflation)
- Increase in Social Housing (depends on Government money)
- Increase Land Supply (depends on changes in the planning system and incentives for local government)
- Increase in Institutional Private Rented Housing (Government is encouraging this)



Growth Strategy

Products



Blocks



Housing



Quoting m2

Products
&
Solutions



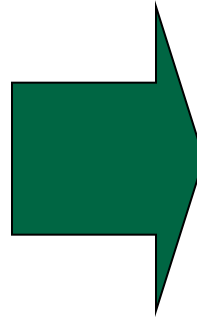
Aircrete



Buildings



Proposing Packages



New Sales Approaches: Rå Build Example



The masonry response to timber frame



A weathertight masonry shell



Only UK manufacturer able to supply modern aircrete products

Innovative Solutions



Multi Plates
(Large format aircrete)



Mega Plates
(Large format aircrete)



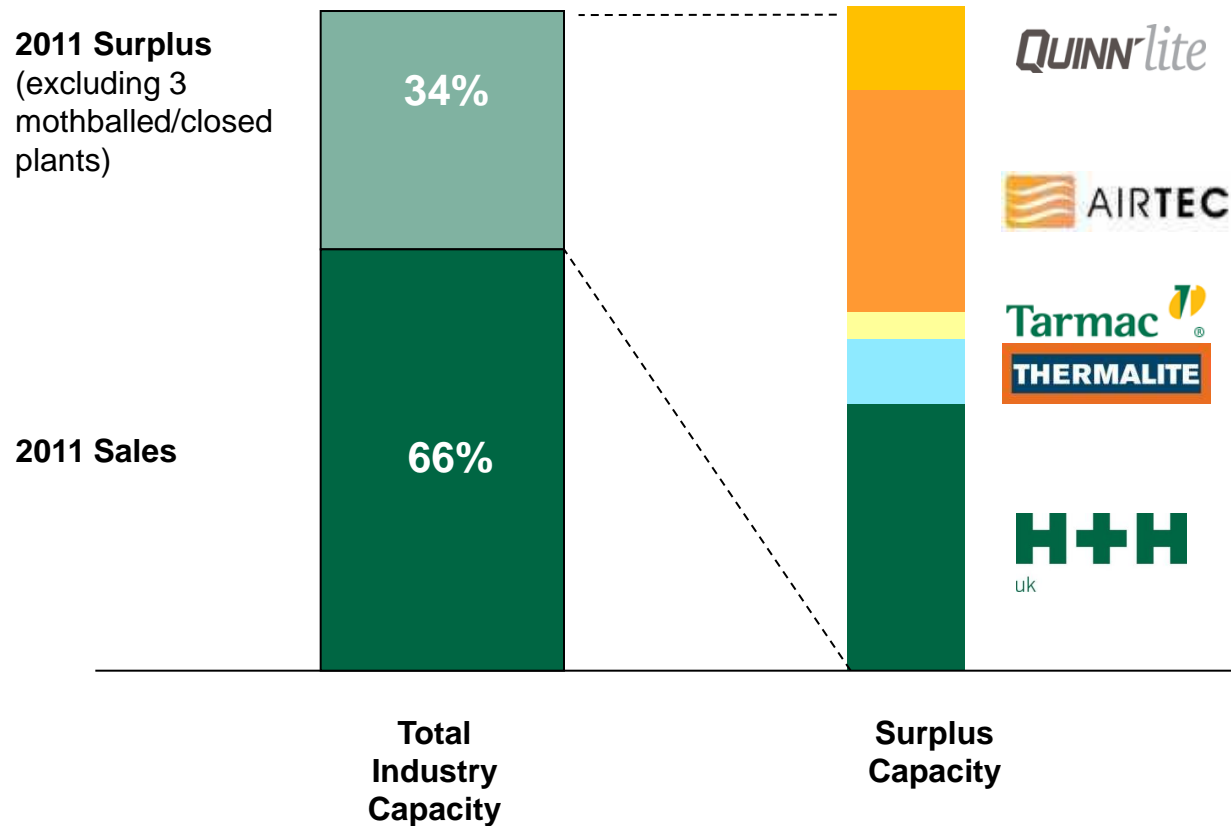
Horizontal Elements
(Reinforced Aircrete)



Vertical Elements
(Reinforced aircrete)

...but profitability is heavily dependant on industry utilisation

UK Aircrete Industry Over Capacity



Source: H+H Estimate



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